

Memo to Encl for DDST - 3 Oct. 1968

Agency Contracts in Dollars with [redacted]
(In Millions)

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SUBJECT: Contract Management [redacted]

7. You may already be aware of the effort made by OSP to interest two other major companies, [redacted] in satellite reconnaissance systems. The thought here is to expand the base and to provide this Agency with opportunity for future competition in follow-on and advanced satellite reconnaissance systems. Both companies expressed positive interest in the programs and indicated a willingness to invest company funds to improve their capability in this field and thus permit their consideration for future work.

8. In conclusion, I would like to comment on one matter which has always concerned me and this is the potential conflict of interest in any case where this Directorate finds it necessary to utilize the consulting services of an outstanding industrialist whose company may also have contracts with this Directorate. On one occasion I reviewed this subject with the Director. As I am sure you are aware, this problem is not unique to this Agency and occurs throughout the Government where external advice and consultation is sought from specialists in particular fields. I have assured myself, however, that the advice of the Office of General Counsel is sought when specific problems arise in this area and, in addition, this Directorate makes use of the "Equipment Exclusion Clause" whenever this is appropriate and can be negotiated with the contractor. In this connection we use the guidelines established in the Armed Services Procurement Regulations for the avoidance of "Organizational Conflicts of Interest." You may be assured that this subject will continue to receive my direct interest.

9. I would be pleased to review any further aspects of our relationship with [redacted] at your convenience.

Carl E. Duckett
Deputy Director
for

Science and Technology ILLEGIB

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